

June 2, 2022

VIA ECF

The Honorable Pamela K. Chen
United States District Court
Eastern District of New York
225 Cadman Plaza East, Chambers N 631
Brooklyn, NY 11201

Re: **SEC v. Richard Xia et al., 21-cv-05350-PKC-RER**

Dear Judge Chen:

We write jointly in response to the Court's Order entered on May 31, 2022. Counsel for the Defendants and counsel for the Relief Defendants consent to a settlement conference before Your Honor, before Magistrate Judge Reyes, or any other settlement mediation. Moreover, because the lenders are rapidly completing their due diligence and have asked Defendants to try to resolve the litigation as quickly as possible, Defendants and the Relief Defendants believe time is of the essence.

The SEC responds that in the nine months since this case was filed, the SEC and the Monitor have received several funding proposals from the various lawyers representing Defendants that fell through shortly after initial questions were raised by the SEC and/or the Monitor. The latest proposals – from the fourth law firm to appear for Defendants – is similar to the prior ones in that they currently contain many contingencies, leave many questions unanswered and include terms to which the SEC cannot consent. As a result, although the SEC is willing to participate in a settlement conference, it believes that such a conference is premature at this time. If the Court is inclined to order a settlement conference, however, the SEC asks that the Court conduct the settlement conference itself.

We are available if the Court has any questions.

Respectfully submitted,

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